

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, April 2, 2020, 2:00 p.m.

MINUTES

The Board of Directors conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.

I. WELCOME AND ROLL CALL

Chair Diana Mahmud called the meeting to order at 2:02 p.m. and Clerk of the Board Gabriela Monzon conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Alternate	Remote
3	Arcadia	Sho Tay	Director	Remote
4	Beverly Hills	Julian Gold	Director	Remote
5	Calabasas	John Bingham	Alternate	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson			Absent
8	Claremont	Corey Calaycay	Director	Remote
9	Culver City	Meghan Sahli-Wells	Director	Remote
10	Downey	Sean Ashton	Director	Remote
11	Hawaiian Gardens	Ramie Torres	Alternate	Remote
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Sheila Kuehl	Vice Chair	Remote
14	Malibu	Christine Shen	Director	Remote
15	Manhattan Beach	Nancy Hersman	Director	Remote
16	Moorpark	Janice Parvin	Director	Remote
17	Ojai	Michelle Ellison	Alternate	Remote
18	Oxnard	Carmen Ramirez	Director	Remote
19	Paramount	Adriana Figueroa	Alternate	Remote
20	Redondo Beach	Christian Horvath	Director	Remote

21	Rolling Hills Estates	Steve Zuckerman	Director	Remote
22	Santa Monica	Kevin McKeown	Director	Remote
23	Sierra Madre	John Capoccia	Director	Remote
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Chair	Remote
26	Temple City			Absent
27	Thousand Oaks	Bob Engler	Director	Remote
28	Ventura City	Christy Weir	Director	Remote
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Lindsey Horvath	Director	Remote
31	Westlake Village	Kelly Honig	Director	Remote
32	Whittier	Vicki Smith	Alternate	Remote

II. GENERAL PUBLIC COMMENT

There was no general public comment.

III. CONSENT AGENDA

1. Approve Minutes from March 5, 2020 Board of Directors Meeting
2. Adopt Support Position on AB 3014 for the 2019/2020 Legislative Session
4. Community Advisory Committee Monthly Report

Motion: Director Kevin McKeown, Santa Monica

Second: Director Sean Ashton, Downey

Vote: Items 1, 2 and 4 were approved by a roll call vote.

3. Adopt Resolution No. 20-04-005 Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

Director Santangelo asked about reporting requirements to the Board and if other CCAs are currently in LAIF. David McNeil, Chief Financial Officer, responded that Marin Clean Energy is authorized to transact with LAIF and that staff would receive and review monthly reports, but would need to report back on reporting requirements to the Finance Committee and Board of Directors.

Vice Chair Parks commented that Ventura County has an investment fund that performs well.

Motion: Director Sean Ashton, Downey
Second: Director Julian Gold, Beverly Hills
Vote: Item 3 was approved by a roll call vote.

IV. REGULAR AGENDA

5. Approve 15-Year Energy Storage Agreement (ESA) with Luna Storage, LLC and Authorize the Executive Director to Execute Agreement

Natasha Keefer, Director of Power Planning and Procurement, provided a presentation that included the following topics: background on the Integrated Resource Plan (IRP) proceeding, 2017/2018 IRP and reliability procurement requirements, 2019/2020 IRP, requirements, CPUC reference system plan, CPA's current long-term portfolio and modeling, the joint IRP process and schedule, and next steps.

Director Christian Horvath expressed his content with the item, adding that Redondo Beach has launched an effort to close a local plant to help reach RA levels; Director Ramirez also thanked staff and the Energy Committee for the work to get the proposal through the pipeline; and Vice Chair Kuehl commented that this is the first project of its kind in Los Angeles County and that it is indicative of the great work CPA staff and its committees do. Director Zuckerman asked about the discount rate in the agreement to which Ms. Keefer responded that although the discount rate cannot be disclosed, it is standard across all project evaluations.

David Haake, Joe Sullivan, Luis Amezcua, and Angus Simmons provided public comments in support of the agreement.

Motion: Director Christian Horvath, Redondo Beach
Second: Director Carmen Ramirez, Oxnard
Vote: Item 5 was approved by a roll call vote.

6. Approve Amendment to FY 2019/2020 Budget

David McNeil, Chief Financial Officer, provided a budget update, stating that the proposed amendment reflects increases to both revenue and expense budget line items. Mr. McNeil stated that the increase in budgeted revenue offsets the increased cost of energy; the proposed operating expense increases are offset by decreases in other operating expense line items, and that staff proposed an increase to capital expenditures to potentially accelerate some expenditures to keep CPA's move to new offices on track.

Director Gold commented that the Finance Committee agreed with and supported the CFO's recommendation on the budget amendment. Vice Chair Kuehl asked for clarification on the impact of the pandemic on the budget and if there was a potential diminution of revenue. Chair Mahmud asked if the half million capital outlay would have been incurred in the following fiscal year but is being frontloaded to accommodate a potential earlier occupancy.

Mr. McNeil indicated that the budget will indeed be impacted by the pandemic, however, the proposed budget amendment is still a reasonable expectation of income. Ted Bardacke, Executive Director, clarified that because construction of the new office space is overlapping two fiscal years, the capital outlay would provide more capacity to finish the project and that the half million dollars would have been included in next year's budget.

In response to Chair Mahmud's comments relating to rent payments to WeWork, General Counsel, Nancy Whang, indicated that staff has internally discussed the WeWork agreement and that a discussion with the Board if necessary would be better suited for a closed session given the legal implications.

There were no public comments for this item.

Motion: Director Corey Calaycay, Claremont
Second: Director Sean Ashton, Downey
Vote: Item 6 was approved by a unanimous roll call vote.

V. ELECTION OF EXECUTIVE COMMITTEE AT-LARGE POSITIONS

Gabriela Monzon, Clerk of the Board, provided a brief oral staff report.

Motion: Director Alex Monteiro, Hawthorne
Second: Director Steve Zuckerman, Rolling Hills Estates
Vote: The Board of Directors unanimously elected to the Executive Committee: Steve Zuckerman, City of Rolling Hills Estates, to the At-Large position representing Los Angeles County for the term April 2, 2020 to June 30, 2022; Deborah Klein Lopez, City of Agoura Hills, to the At-Large position representing Los Angeles County for the term April 2, 2020 to June 30, 2022; and Carmen Ramirez, City of Oxnard, to the At-Large position representing Ventura County for the term April 2, 2020 to June 30, 2022.

VI. MANAGEMENT UPDATE

Ted Bardacke, Executive Director, provided an update on the following topics: COVID-19 related consumer protections, key financial metrics, net position scenarios, unrestricted cash balance scenarios, and mitigation and next steps.

Director Zuckerman inquired about customer behavior relating to default trends and Director Gold asked staff about scenarios in which CPA load may be short, but market pricing is high and the impact of an increase in energy demand.

In response to questions, staff clarified the following: initial findings indicate customers are not looking at changing default rates; load forecasts are adjusted daily, therefore, CPA can adjust upward based on a surge in demand due to the expiration of stay-at-home orders; and CPA can indeed be caught short in a high demand market due and spikes in economic activity, but as load forecasting shifts, the hedging strategy helps to manage any existing risk.

Chair Mahmud asked how the \$40 million in reserves compare to the mandatory minimums required by loan obligations, emphasizing that revenue shortfalls may be offset by either a loan or by revenues for costs incurred in months prior.

Mr. McNeil indicated that staff is always in contact with its financial institutions, providing information on reserves relating to loan obligations. Mr. Bardacke added that discussions have informally begun within and amongst the larger CCAs, but not formally brought to the Board, however, at such time as CPA needs to seek outside assistance, it would take place in the form of a collective and systematic effort within the industry.

Director Zuckerman suggested that the Clean Power Alliance webpage should have all power supply agreements in one location for the public to easily access this information.

VII. COMMITTEE CHAIR UPDATES

Finance Committee Chair Gold noted CPA's strong balance sheet but added that some of those positive balances were one-time revenues.

Energy Committee Chair Ramirez expressed her support for incoming Energy Committee Chair Kevin McKeown and highlighted the importance of agencies to encourage their constituents to pay their electricity bill.

Legislative & Regulatory Affairs Chair Lindsey Horvath did not provide an update.

VIII. BOARD MEMBER COMMENTS

Vice Chair Kuehl encouraged staff and the public tuned into the meeting to practice self-care to contain the pandemic.

IX. REPORT FROM THE CHAIR

Board Chair Mahmud thanked outgoing Committee Chair Ramirez and all members of the Energy Committee for their work as a filter to the Board of Directors on the difficult technical aspects of CPA. Chair Mahmud praised the work of the Board of Directors and encouraged those interested to apply for positions on the Board of Directors of the League of California Cities.

X. ADJOURN – NEXT REGULAR MEETING MAY 7, 2020

Chair Mahmud adjourned the meeting at 4:02 p.m.